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Agenda item 10
Second review of the Adaptation Fund

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Draft conclusions proposed by the co-facilitators

1. The Subsidiary Body for Implementation (SBI) considered the second review of the Adaptation Fund in accordance with the terms of reference for the second review of the Adaptation Fund[1] (hereinafter referred to as the terms of reference).

2. The SBI welcomed the financial contributions and pledges that were made to the Adaptation Fund by Parties pursuant to paragraph 12 of decision 1/CMP.9, adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its ninth session. These contributions and pledges enabled the Adaptation Fund to achieve its fundraising goal of USD 100 million by the end of 2013. The SBI would like to express the hope that more funds could be generated to meet the current needs of the Adaptation Fund.

3. The SBI took note of the oral report of the Adaptation Fund Board secretariat on the Board's new fundraising target of USD 80 million per calendar year for 2014 and 2015, and requested the Board to include an update on the implementation of its fundraising strategy in its report to CMP 10 (December 2014).

4. The SBI continued to note with concern the lack of sustainable, predictable and adequate financial resources for the Adaptation Fund to support projects and programmes in developing countries.

5. The SBI highlighted that the implementation of the Adaptation Fund has led to the enhancement of direct access and country ownership.

6. The SBI recalled that the Adaptation Fund is a fund under the Kyoto Protocol, which is a legal instrument of the Convention and guided by Article 3 of the Convention, and noted the issues raised by Parties, on the basis of the terms of reference, related to:

(a) The provision of sustainable, predictable and adequate financial resources, including the potential diversification of revenue streams, to fund concrete adaptation

[1] Decision 2/CMP.9, annex.

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projects and programmes that are country driven and based on the needs, views and priorities of eligible Parties;

(b) Lessons learned from the application of the access modalities of the Adaptation Fund;

(c) The institutional linkages and relations, as appropriate, between the Adaptation Fund and other institutions, in particular institutions under the Convention;

(d) The institutional arrangements for the Adaptation Fund, in particular the arrangements with the interim secretariat and the interim trustee.

7. The SBI invited Parties and observer organizations, as well as other interested international organizations, stakeholders and non-governmental organizations involved in the activities of the Adaptation Fund and multinational, regional and national implementing entities accredited by the Adaptation Fund Board, to submit to the secretariat, by 22 September 2014, further views on the second review of the Adaptation Fund, in accordance with the terms of reference.

8. The SBI requested the secretariat to make the submissions referred to in paragraph 7 above available on the UNFCCC website and to compile them into a miscellaneous document, for consideration at SBI 41 (December 2014).

9. The SBI also requested the secretariat, when preparing the technical paper requested at CMP 9,[2] to take into consideration the views expressed by Parties at this session and the written submissions provided before and at this session.[3]

10. The SBI agreed to complete its consideration of the second review of the Adaptation Fund at SBI 41 on the basis of all the information provided in accordance with the terms of reference and the submissions referred to in paragraph 7 above, with a view to recommending a draft decision on this matter for consideration and adoption at CMP 10.

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[2] Decision 2/CMP.9, paragraph 6.

[3] The submissions are available at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx>.